

USA Capital

First Trust Deed Investment

- Borrower:** Pegasus-MH Ventures I, LLC
Michael A. Clevenger has been in the commercial real estate development business in northern California for the last 24 years.
- Loan Amount:** \$9,750,000
- Rate:** 12% (net)
- Loan to Value:** Approximately 50% based on comparative prices in the area, not including the additional collateral, which provides additional net equity of \$10,600,000.
- Maturity:** January 21, 2006
- Collateral:** Approximately 40 acres of undeveloped land planned for residential development located near the corner of Highway 205 and Mountain House Road near Tracy, California in San Joaquin County.
- Additional Collateral:** Second deed of trust on the approximately 130 acres of the adjacent undeveloped land zoned for commercial development.
- The Project:** The project, commonly referred to as, Mountain House Business Park, is a 170 acre mixed use development with 40 acres of residential and 130 acres of retail and office space located on I-205 at Mountain House Road. This project is adjacent to the Mountain House master planned community, a 4,792-acre project located along the San Joaquin County Line between Interstate 205 and the Old River, northwest of Tracy, California, 60 miles east of San Francisco. This community is envisioned as a new self-sufficient community offering employment, goods, services and recreation.
- Borrower Equity:** The borrower has contributed approximately \$1,800,000 into the predevelopment cost to this project.

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702-734-2400

Licensed by the State of Nevada Division of Mortgage Lending
USA Commercial Mortgage Company 4484 S. Pecos Rd, Las Vegas NV 89121
License #MB 333 10/21/2009

Money invested through a mortgage broker is not guaranteed to earn any interest or return and is not insured. Before investing investors must be provided applicable disclosure.

EXHIBIT B

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Guarantees:

The principals of Pegasus-MH ventures I, LLC Michael Clevenger and William H. Zenklusen with an estimated net worth of \$5,800,000 as of 12-31-03.

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